

## 46-975 – Macro for MsCF

Ariel Zetlin-Jones

**Instructor:** Ariel Zetlin-Jones

**e-mail:** [azj@cmu.edu](mailto:azj@cmu.edu)

**Class Website:** [canvas.cmu.edu](http://canvas.cmu.edu)

**Macro Twitter:** [@cmu\\_macro](https://twitter.com/cmu_macro)

**Office:** TPR 5141

**Office Hours:** T 4PM – 5PM + Anytime

**TA:** Bill Bednar

**e-mail:** [wbednar@andrew.cmu.edu](mailto:wbednar@andrew.cmu.edu)

### Class Time

- **Sections I2/M2:** Tuesday from 5:30PM to 8:30PM in POS 145/NY 1.

---

### Course Description:

This course will provide students with a set of tools to analyze the macroeconomic environment, and how it relates to the determination of prices and interest rates. Students will learn how to use economic theory in making short run forecasts, and why particular attention is paid to economic variables such as initial jobless claims and inflation expectations. The course will provide approaches to evaluating how government policy may affect the macroeconomy.

### Resources:

*Canvas:* Required (short) pre-readings and lecture slides will be available on the course website (typically released the Sunday before class). You are responsible all material covered in these required readings and the lecture slides. The lecture slides will not contain all course material, so make sure you attend class and take notes. I will also post additional (optional) readings. Assignments will be also posted and will have to be returned via this portal.

*Feedback:* There is an anonymous feedback system set up here: <http://tinyurl.com/46975feedback>. Please use it throughout the course to communicate any concern or question regarding the material, the class, etc. I will address your comments as promptly as possible.

**Requirements and Grading:**

*Assignments:* There will be 6 assignments which may be done in groups of up to 5 (indicate group members on front page with name and student ID). Late homework will not be allowed without prior consent. Scheduling issues involving work in other classes is not a valid reason for rescheduling. Submit all assignments via the digital drop-box in Canvas. Do not send assignments to me as e-mail attachments. Assignments will be graded based on effort (i.e. pass/fail).

*Exam:* The final exam is closed-book. You may refer to one, double sided, hand-written 8 1/2” by 11” page of notes. Exams will be proctored according to MSCF policy as found in the Student Handbook at <https://bit.ly/2o7Yy0W>

*Participation:* Your participation grade will be based (objectively) on class attendance and (subjectively) on in class participation. Attendance will be taken at the start and middle of class.

*Grading:* The final grade will be calculated based on the following:

1. 6 assignments (30% of total grade)
2. 1 comprehensive final exam (60% of total grade)
3. Participation (10% of total grade)

**Your Well-Being:**

Take care of yourself: Do your best to maintain a healthy lifestyle this semester by eating well, exercising, avoiding drugs and alcohol, getting enough sleep and taking some time to relax. This will help you achieve your goals and cope with stress.

All of us benefit from support during times of struggle. You are not alone. There are many helpful resources available on campus and an important part of the college experience is learning how to ask for help. Asking for support sooner rather than later is often helpful.

If you or anyone you know experiences any academic stress, difficult life events, or feelings like anxiety or depression, we strongly encourage you to seek support. Counseling and Psychological Services (CaPS) is here to help: call 412-268-2922 and visit their website at

<http://www.cmu.edu/counseling/>

Consider reaching out to a friend, faculty or family member you trust for help getting connected to the support that can help.

**TENTATIVE SCHEDULE****1. October 30. Measurement.**

- Methodology. Measuring domestic product and income. Nominal and Real GDP. Comparisons of GDP across time and across countries.
- Trends and Cycles. Properties of business cycles, booms, and recessions. Business cycle indicators, leading and lagging variables. Smoothing, filtering, and basic business cycle forecasting.

**2. November 6. Growth. (HW1 Due)**

- Growth facts: historical and contemporary. Measures of productivity.
- Sources of growth, and the Solow growth model. Implications for cross-country convergence.
- Accounting for growth: the role of capital and labor in economic growth.

**3. November 13. Labor Markets. (HW2 Due)**

- The US labor market. Employment, unemployment and other labor market statistics.
- The frictionless labor model. The minimum wage. Institutions and policies that promote/hinder employment.
- The stock and flow model, labor market efficiency. Technology and US labor markets.

**4. November 20 (in NYC). Fiscal Policy. (HW3 Due)**

- Government: revenues and spending. Taxation: facts and determinants.
- Fiscal multipliers. Current fiscal stimulus and its effects.
- Government debt and deficits. Debt sustainability.

**5. November 27. Macro-Finance and Business Cycles (HW4 Due)**

- Financial markets prices and the link between macroeconomics and financial market prices.
- Yield curves, term structures, and the expectations hypothesis.
- Real Business Cycle Theory.

**6. December 4. Monetary Policy (HW5 Due)**

- History of Money: From Barley to Bitcoin. Cryptocurrencies.
- The Federal Reserve: tools and objectives. Determining short-run interest rates and inflation targeting.

**7. December 11 (in NYC). International Economics (HW6 Due)**

- Trade and comparative advantage. Tariffs: facts and implications for welfare.
- Current account, international lending, and borrowing. Exchange rates: definition and regimes. Determinants of exchange rates: purchasing power parity and interest rate parity conditions.
- International Monetary Policy.

**8. TBD. Final Exam**

- Closed-book.
- One, double sided, hand-written 8 1/2" by 11" page of notes.